

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND REVENUE
APPROPRIATIONS SUBCOMMITTEE**

Room 215 Senate Office Building, State Capitol Complex

February 2, 2009

Members Present: Sen. Ralph Okerlund, Co-Chairman
Rep. Sheryl Allen, Co-Chairman
Sen. Gene Davis
Sen. Sheldon Killpack
Rep. Jackie Biskupski
Rep. Julie Fisher
Rep. Chris Herrod
Rep. Christine Johnson
Rep. Todd Kiser

Staff Present: Dr. Andrea Wilko, Chief Economist
Dr. Thomas Young, Economist
Jennifer Eyring, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Allen called the meeting to order at 2:17 p.m. and introduced the purpose of the meeting.

Division of Housing and Community Development

Gordon Walker, Executive Director, Division of Housing and Community Development, stated that the Division's greatest resource is their staff. The following staff members were introduced to the committee:

Katherine Smith, Deputy Division Director
Jonathan Hardy, Program Director, Community Services
Shar Lewis, Commission on Volunteers
Keith Heaton, Program Director, Community Development Block Grant Program
Keith Burnett, Program Director, Permanent Community Impact Board
Roxanne Graham, Program Manager, Private Activity Bond Authority
Mike Glenn, Program Director, Housing
Shelli Goble, Deputy Program Director, OWHLF (unable to attend)
Sherm Roquiere, Program Director, State Energy Assistance and Lifeline Programs
Mike Johnson, Program Director, Weatherization Assistance Program
Kimberley Schmeling, Director of Budget
Glenn McMurtrey, Director of Finance
Lloyd Pendleton, Homeless Task Force Director

Mr. Walker gave an overview of each of the following programs.

Community Development Block Grant Program - Keith Heaton

Using HUD standards, the program is ranked #1 in the country. The purpose and economic benefits were outlined.

Homelessness - Jonathan Hardy

The White House Interagency Council on Homelessness awarded Governor John Huntsman and the State of Utah, the Governor's Award for Excellence for the homeless program. The 10 year plan to end chronic homelessness was explained, including cost savings and plan success. It is less expensive to provide housing and services to those who have been chronically homeless than to have them continue on the streets. Chronic homelessness has decreased to 25% in 2008 from 37% in 2006 through the Housing First program. The goal is not to manage chronic homelessness, but to end it. The Pamela Atkinson Homeless Trust Fund provides the funding for these services. Questions from the committee were addressed.

MOTION: Rep. Biskupski moved to approve the minutes from the January 28, 2009 meeting. The motion was approved unanimously.

Olene Walker Housing Loan Fund - Mike Glenn

The Division has received one of two national awards from the United States Department of Energy for energy efficiency with their projects. Mike Glen is responsible for energy. The OWHLF money is leveraged about 10 to 1, and serves the very lowest income levels. Palmer Court, 201 new units of homeless housing, honors Palmer DePaulis. The fund is currently out of money and awaiting FY2010 funding.

Weatherization - Mike Johnson

The Weatherization program takes homes of lower income or elderly people and brings them up to standard, with energy cost savings for the households. The Navajo work camps program combines work from the Division with volunteers to upgrade 50 to 60 homes in a one week period.

State Energy Assistance and Lifeline - Sherm Roquero

This program assists elderly, handicapped, and families with small children, with their heating bills. About 36,000 families are served in a year. Thank you letters from recipients were read to the committee.

Permanent Community Impact Board - Keith Burnett

The CIB is a state program that utilizes federal mineral lease royalties returned to the state, for grants and loans to finance public facilities in rural areas. The repayment of loans and the accumulated interest to these funds, allow the approval of projects above the amount of new revenue each year.

Private Activity Bond Authority - Roxanne Graham

This program received \$272,000,000 in bonding authority which is used primarily for Utah housing. It is also used to lower interest rates for higher education student loans. In 2008, 1,455 jobs were created with a payroll of \$52,000,000. Housing projects use a variety of sources for funding, including the Private Activity Bond Authority.

Utah Commission on Volunteers - Shar Lewis

Utah has been ranked as the #1 state for volunteerism for the past five years. The funds from the state are leveraged. It was noted that some areas where funds were reduced have matching requirements and may need to be adjusted. There are 300 service core members in the state who have organized over 7,000 volunteers, providing 176,000 volunteer hours. The Citizen Corps program trains individuals in community and individual preparedness.

Utah Office of Faith-Based and Community Initiatives

This program seeks to educate and support not-for-profit organizations and to build collaboration.

A handout with information on each of these areas was distributed to the committee.

Dr. Wilko advised the committee that budget briefs will be prepared for the upcoming meeting and budget and issue briefs will follow for items previously covered.

Office of Ethnic Affairs

Jesse Soriano, Director, Office of Ethnic Affairs, gave an overview of the Office. It contains offices for Black Affairs, Hispanic Latino Affairs, Asian Affairs, and Pacific Island Affairs. Their purpose is to assist other state agencies deliver their services to the ethnic communities. The Office educates and facilitates communication to both the agencies and the public. Twelve conferences were held in the past year.

Division of Indian Affairs

Forrest Cuch, Director, Division of Indian Affairs, gave the background of the Division. The primary role is intergovernmental relations between the tribes and the state. Information and referral services were explained. In the past year, 60 sets of human remains were re-interred in the state burial vault. Fifteen more will be re-interred in the spring. "We Shall Remain" is a five part documentary on the five nations of Utah. The documentaries will begin airing on PBS on April 13, 2009. Non-lapsing authority was requested for this project to facilitate educational use of the documentaries. Questions from the committee were addressed and a summary handout provided.

Dr. Wilko clarified the situation with the funding and the needed transfer.

Zoos

Craig Dinsmore, Executive Director, Hogle Zoo, introduced Jim Hogle, President, Utah Zoological Society Board of Directors. Hogle Zoo had nearly 996,000 visitors last year and is one of the top five tourist attractions in the state. The zoo will need to raise 11 million in private donations before Renew the Zoo funding can be accessed. State funding is restricted to animal care.

Rep. Allen relinquished the chair to Sen. Okerlund.

Questions from the committee were addressed. The Hogle Zoo's 2008 Year End Report was distributed to the committee.

Sen. Okerlund relinquished the chair to Rep. Allen.

Huntsman Cancer Institute

Janet Bingham, President, Huntsman Cancer Foundation Board of Directors, expressed concern about the proposed reduction in funding for FY2010, and the misunderstanding of previous funding requests.

Mary Beckerle, Executive Director, Huntsman Cancer Institute, expressed thanks for the funding received in the past and explained the use and benefits of those funds. The Institute gives clinical care, outreach and education on cancer prevention. Funds from the state were used for research. The Institute was designated for its outstanding research by the National Cancer Institute. It is a member of the National Comprehensive Cancer Network and home to the Utah Population Database, the world's largest resource for genetic discovery. Of the 4 million dollars appropriated last year, 2.3 million was used for the clinical trials office, 1.3 million for research informatics and development, and \$400,000 for research administration. The work of the clinical trials office was described with the benefits to individuals and the state. The impact includes not only health, but also economic development through research grants to the faculty and the corresponding jobs created. Dr. Beckerle expressed thanks for funding on behalf of patients and their families.

Rep. Allen recognized David Huntsman, Vice Chair, Huntsman Cancer Foundation Board of Directors.

Dr. Wilko clarified the Huntsman Cancer Center funding reductions for FY2009.

Dr. Beckerle expressed understanding for the difficulties of the economic times and reiterated the Institute's commitment to leveraging and utilizing funding carefully.

Rep. Johnson related her experiences working at the Huntsman Cancer Institute.

Questions from the committee were addressed by Dr. Bingham and Dr. Beckerle and a handout reporting the FY2009 Appropriation was distributed to the committee.

Salt Lake County Homeless Coordinating Council

Jennifer Hare, Executive Director, Family Promise, and Chair Elect, Salt Lake County Homeless Coordinating Council, gave an overview of the work that is done by the Family Promise program through their staff and volunteers. Funds have been received from the Emergency Shelter Grant and Pamela Atkinson Homeless Trust Fund, and are leveraged. The Salt Lake County Homeless Coordinating Council is a group of over 42 agencies. Thanks were expressed for funding. A request was made to restore the \$500,000 of one-time funds, cut from the FY2009 budget, to the FY2010 budget as ongoing funding for the Pamela Atkinson Homeless Trust Fund. It was also requested to restore funding to the Olene Walker Housing Loan Fund. There has been a 118% increase in families seeking services. Funding can also be used to prevent family homelessness. A collaboration of agencies developed a program called Rapid Rehousing, which immediately gets families back into housing, with help from these funds. Concern was expressed about the escalating numbers of people needing services in the difficult economy. A handout from the Coordinating Council was distributed to the committee.

Utah Housing Coalition

Bill Watkins, Sunrise Metro Resident, spoke in behalf of the Utah Housing Coalition, and described his background and personal story. Mr. Watkins has spoken at the Homeless Summit, given newspaper and radio interviews, and attended the national conference for the National Alliance to End Homelessness in Washington D.C. He is currently on the Resident Council and holds a seat on the Salt Lake County Homeless Coordinating Council. Projects and programs at Sunrise Metro were described. Copies of the petition requesting funding for the Pamela Atkinson Housing Trust Fund, signed by residents of Sunrise Metro, were distributed to the committee.

Rep. Allen thanked Mr. Watkins for his presentation and commended him for his work.

MOTION: Sen. Davis moved to adjourn the meeting. The motion passed unanimously.

Rep. Allen adjourned the meeting at 4:12 p.m.

Sen. Ralph Okerlund, Co-Chair

Rep. Sheryl L. Allen, Co-Chair